

# **EXHIBIT 14**

UNITED STATES DISTRICT COURT  
FOR THE SOUTHERN DISTRICT OF TEXAS  
HOUSTON DIVISION

IN RE

ALTA MESA  
RESOURCES, INC.  
SECURITIES  
LITIGATION

Civil Action No. 4:19-cv-00957

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ORAL AND VIDEOTAPED DEPOSITION OF  
JOHN BALDAUFF  
APRIL 17, 2023

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ORAL AND VIDEOTAPED DEPOSITION of JOHN BALDAUFF,  
produced as a witness at the instance of the  
Defendants, and duly sworn, was taken in the  
above-styled and numbered cause on April 17, 2023,  
from 9:42 a.m. to 4:03 p.m., before Mendy A.  
Schneider, CSR, RPR, in and for the State of Texas,  
recorded by machine shorthand, at the offices of  
Latham & Walker, 811 Main Street, Suite 3700, Houston,  
Texas, pursuant to the Texas Rules of Civil Procedure  
and the provisions stated on the record or attached  
hereto; that the deposition shall be read and signed.

[PAGES OMITTED]

1 Q. -- ineffective or not economical?

2 MR. SHER: Objection.

3 A. I didn't retain any documents. I stated  
4 that. I don't have any documents.

5 Q. (BY MS. GUZMAN) What about -- did you tell  
6 Mr. Ellis that about Mr. Belyadi, Abbas, the senior  
7 reservoir --

8 A. Abbas Belyadi.

9 Q. Abbas Belyadi, yes.

10 Did you tell him about what he told you  
11 about the EUR estimates he provided?

12 A. No, I did not.

13 Q. Did you tell Mr. Ellis about that you thought  
14 the 4200 wells estimated in the press release was  
15 shocking?

16 A. No, I did not.

17 Q. Okay. I'm going to represent to you that  
18 Mr. Chappelle is also a defendant in this case.

19 Did you talk to Mr. Chappelle and tell  
20 him that you thought the 4200 wells estimated in the  
21 press release was shocking?

22 A. No, I did not.

23 Q. Okay. Did you talk to Mr. Chappelle about  
24 the EUR estimates provided by Mr. Belyadi?

25 A. No, I did not.

1 Q. Did you talk to Mr. Chappelle about -- that  
2 you thought ESPs were ineffective or not economical?

3 A. Yes, I tried.

4 Q. And you told him that you believed that they  
5 were ineffective and not economical?

6 A. Yes. I mentioned a specific well, EHU36. I  
7 believe that was the well that he thought was a good  
8 idea, we could have the same response with other  
9 wells. And I told him that that was an exception and  
10 not the rule.

11 Q. And so you mentioned one well EHU36 --

12 A. EHU36.

13 Q. EHU36?

14 A. EHU36. If I can -- no, that's okay. You'll  
15 figure it out.

16 Q. Did you tell him overall you thought ESPs  
17 were not effective and noneconomical or just for this  
18 one specific well?

19 MR. SHER: Objection.

20 A. I said that specific well was the only one  
21 from the East Tennessee unit that was operated by  
22 Bruce Hinkle. And it was. And -- and that was the  
23 one that he kept saying that was a good, we need to  
24 keep doing it. And I said that was an exception and  
25 not the rule.

1 Q. (BY MS. GUZMAN) Just so I understand, there  
2 were other wells that you thought not effective or  
3 noneconomical or was it just that one?

4 MR. SHER: Objection.

5 MR. MAURIELLO: Objection.

6 A. Quite a few wells that were uneconomical.

7 Q. (BY MS. GUZMAN) Okay. And there are --  
8 sitting here today, you cannot identify a specific  
9 document where you told Mr. Chappelle that either  
10 EHU36 or any other well was not effective or  
11 noneconomical?

12 A. I spoke to him -- he came by the -- no, I  
13 didn't have anything in writing, but I spoke to him.  
14 He didn't answer back, he turned his back and walked  
15 away. But he heard me because we were the only ones  
16 in the room and I was two feet away from him. And I  
17 spoke that and he didn't turn around -- or he  
18 didn't -- he pretended I -- he didn't hear, but he  
19 heard.

20 Q. Okay.

21 A. And at that point -- and at that point, he  
22 did that because he knew this day was going to come.  
23 And here I am.

24 Q. And at that point, you -- you didn't follow  
25 up in writing about your position on ESPs at Alta

1 Mesa -- well, on Alta Mesa's wells?

2 MR. SHER: Objection.

3 A. I valued my paycheck. I didn't want to  
4 push the -- that was it. If he didn't want to listen  
5 to me, why would he read something in writing.

6 Q. (BY MS. GUZMAN) So there was a monetary  
7 incentive then to not -- to not speak out about the --  
8 your concern about the ESPs?

9 A. These -- these wells were going to be run  
10 with ESPs whether I helped or not. If I helped, it  
11 could mitigate the losses that we were going to incur,  
12 and I'd keep my job and my paycheck. And I was over  
13 60, okay.

14 And so I was doing the best I could to  
15 help the shareholders out for Alta Mesa by -- by using  
16 my expertise to try to mitigate the -- mitigate the  
17 damages.

18 Q. And you weren't concerned about the fact that  
19 you were doing something that you wholeheartedly  
20 believed was ineffective or economical, as you sit  
21 here today?

22 MR. SHER: Objection.

23 A. I wasn't -- I wasn't doing anything illegal.  
24 I was doing something in my mind to help -- I truly  
25 believed I was helping the company by staying in the

[PAGES OMITTED]



1 Q. Which people?

2 A. Well, Mike Ellis disagreed a lot of times.  
3 And -- and I -- I just -- they were mostly heated  
4 because they were long into the -- into the evening,  
5 people got tired.

6 That's all I'm going to say.

7 Q. Do you recall anyone sharing Mr. Ellis's  
8 opinion at these meetings? You said Mike Ellis  
9 disagreed.

10 A. Some -- a lot of times he did. Sometimes he  
11 agreed, but sometimes he disagreed, yeah.

12 Q. Were there other examples of people who  
13 sometimes disagreed at these meetings?

14 A. You mean disagreed with --

15 Q. Yes.

16 A. -- the findings of the spreadsheets.

17 Q. Disagreed with your impression that the ESPs  
18 were ineffective and uneconomical.

19 A. Not that I know of, I mean, not just right  
20 off the bat.

21 I know Tim Turner had some questions  
22 about our economic analysis, was it correct using the  
23 right formula, et cetera. He had some questions, but  
24 they were not heated. And we just -- would just make  
25 sure we were on the same page.

1 Q. Let me change gears slightly.

2 You also testified that you spoke to  
3 Mr. Chappelle about your belief that the ESPs were --

4 A. That is correct.

5 Q. -- ineffective and uneconomical.

6 When did you approach Mr. Chappelle?

7 A. I don't remember the date, but I know it  
8 happened because it was -- it touched me. I mean,  
9 it -- it -- he didn't want to talk to me.

10 Q. Was it 2019?

11 A. I don't know. It was -- it was late -- it  
12 was -- okay. I -- I -- I don't remember about 2019.  
13 2018, possibly. I -- I don't remember the date. I'm  
14 sorry, I don't.

15 Q. Where were you?

16 A. I was right out -- okay. Right outside my  
17 office was a -- was a workroom for engineers. And Hal  
18 was just walking down. And one of the reasons why I  
19 approached him was because everybody said Hal wanted  
20 to run these pumps because he had -- he had some  
21 information that production rates were very important  
22 and he thought that ESPs would be really good at doing  
23 it and -- and that was that.

24 And I just wanted to talk to him about  
25 that to see if there was something else we could to

1 run, you know, pumps, et cetera. And --

2 Q. Was this --

3 A. -- he didn't want to talk to me.

4 Q. -- a scheduled meeting?

5 A. Pardon me?

6 Q. Was this a scheduled meeting?

7 A. No, absolutely not. He was just walking by.

8 I saw him -- I walked out my office and I went to talk  
9 to him. No. Do I have it documented? No, I don't.

10 I -- I -- and I'll just look you in the  
11 eye. At that point when I tried to talk to Hal and he  
12 turned his back and walked away out the door, I said,  
13 well, this day is going to come. He did that for one  
14 reason.

15 Q. What did you say to him exactly?

16 A. I said, Hal, I want to talk to you about  
17 ESPs. I said, the EHU36 that you really like,  
18 that's -- you keep expounding that that was a good  
19 thing and we want more of those things.

20 I said, that's the rule and not --  
21 that's the exception and not the rule. And, I mean,  
22 he just kept walking away. So I said okay.

23 Q. Did you follow up?

24 A. No.

25 Q. Did you call him?

1 A. No.

2 Q. Did you send him an e-mail?

3 A. No.

4 Q. Do you know for sure that he heard you?

5 A. Absolutely.

6 Q. How is that?

7 A. Because he was as close as to me and this  
8 lady here. And I was talking loud and there was  
9 nobody in the room. I was talking loud, but I was  
10 respectful, so I wasn't yelling at him, but -- but he  
11 heard me.

12 Q. But you didn't follow up?

13 A. No.

14 Q. Okay.

15 MR. HORTON: Thank you very much.

16 THE WITNESS: Sure.

17 MR. SHER: I'm going to have some  
18 questions. Can we take a very short break and then --  
19 is that okay with everyone?

20 MR. PORTER: Sure.

21 THE VIDEOGRAPHER: Current time is  
22 2:12 p.m. We're off the record.

23 (Break from 2:12 p.m. to 2:20 p.m.)

24 THE VIDEOGRAPHER: Okay. Current time  
25 is 2:20 p.m., and we're back on the record.

1 E X A M I N A T I O N

2 BY MR. SHER:

3 Q. Hey, good afternoon, Mr. Baldauff. My name  
4 is Andrew Sher. I represent the plaintiffs in this  
5 class action. I just have a few questions for you  
6 this afternoon.

7 Do you recall testifying a few minutes  
8 ago about being forced to identify wells to install  
9 ESPs in?

10 MS. GUZMAN: Objection to form to the  
11 extent it misstates prior testimony.

12 Q. (BY MR. SHER) Earlier today do you recall  
13 testifying generally about ESPs?

14 A. Yes, I do.

15 Q. And do you recall testimony about being asked  
16 or ordered to identify wells that were candidates for  
17 ESPs shortly after the business combination closed?

18 MS. GUZMAN: Same objection.

19 A. Yes. About a month probably past that date,  
20 yes. Uh-huh. It was on a Friday afternoon.

21 Q. (BY MR. SHER) And who told you that the  
22 company was looking for additional wells that were  
23 candidates for ESPs to be installed in?

24 MS. GUZMAN: Objection. Same objection.

25 A. Jerry Swearingen.

[PAGES OMITTED]